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# The **COLOMBO PLAN**

... *What It Is*

... *How It Works*

THE DEPARTMENT OF STATE



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# THE COLOMBO PLAN

## What is the Colombo Plan?

The Colombo Plan is the name given to the cooperative effort which countries of South and Southeast Asia, helped by countries outside of the region, are making to develop their economies and raise the living standards of their people. Its full title is the Colombo Plan for Cooperative Economic Development in South and Southeast Asia. Its principal forum is the Consultative Committee composed of 18 member nations.

## Who participates in the Colombo Plan?

Member countries are Australia, Burma, Cambodia, Canada, Ceylon, India, Indonesia, Japan, Laos, Malaya, Nepal, New Zealand, Pakistan, the Philippines, Thailand, the United Kingdom (together with Singapore and British Borneo), the United States, and Viet-Nam.

## Is the Colombo Plan really a plan?

There is no integrated master plan. Each country of South and Southeast Asia prepares

and carries out its own development program. Each country, however, has the benefit of consultation through the Consultative Committee.

## **How did the Colombo Plan come about?**

The idea for the Colombo Plan was born at a meeting of British Commonwealth Foreign Ministers, held at Colombo, Ceylon, in January 1950. The intent of the founders was to focus attention on the development problems of South and Southeast Asia and to provide a framework for an international cooperative effort to assist the countries of the area to raise their living standards.

## **Is the Colombo Plan entirely a British plan?**

No. Although the initial membership consisted of British Commonwealth countries, it was contemplated from the beginning that all countries in South and Southeast Asia should be invited to participate on equal terms.

## **When did the United States join the Colombo Plan?**

The United States became a member of the Consultative Committee late in 1950 and attended its first meeting at Colombo in February 1951.

## **What is the period of operation of the Colombo Plan?**

Originally intended to cover the period July 1951 through June 1957, it was subsequently extended to June 1961. Further consideration as to the future of the Colombo Plan will be made at the 1959 meeting of the Consultative Committee.

## **What is the Colombo Plan's machinery for cooperation?**

The principal machinery is the Consultative Committee, which meets annually to review and assess what has been accomplished and to evaluate the task and problems in the period ahead. The Consultative Committee each year publishes an annual report on its findings.

In addition, the Colombo Plan has a Council for Technical Cooperation which coordinates technical assistance programs within the area and provides information on Colombo Plan activities. The United States, with extensive technical assistance programs of its own, is not a member of the Council or its operating agency, the Bureau for Technical Cooperation.

## **Does the Consultative Committee supervise each country's development program?**

No. The Consultative Committee is primarily an advisory and consultative organization which examines each country's development program and policies only in the context of its development progress. No international control is exercised by individual countries on the Committee. Among the advantages arising from the Committee discussions are the opportunities for each country to compare its development programs with others and to exchange views. These discussions also provide an opportunity to appraise the relative soundness of the individual programs, the effectiveness with which they may be carried out, and the vigor with which each country is working for its own development.

## **Does the Consultative Committee allocate external assistance among the recipient countries?**

No. There is no multilateral pool of external resources which the Committee administers. Assistance to Colombo Plan members is extended by the donor on a bilateral basis in accordance with arrangements reached through normal diplo-

matic channels. Much of the assistance to Colombo Plan members is provided by members outside the region; however, many of the countries in South and Southeast Asia themselves extend technical assistance.

## **What is the source of U.S. assistance to Colombo Plan countries?**

There are various sources of U.S. assistance to the Colombo Plan countries. These include the mutual security program, the agricultural trade development and assistance program, and the United States Export-Import Bank. In addition, significant American assistance is extended through private investment and the activities of American philanthropic institutions in the area. The United States has been the principal source of assistance for the Colombo Plan countries. In the period 1950-57 the United States had extended over \$3 billion in aid to the Colombo Plan countries.

## **What about aid by other donor countries?**

In the period 1950-57 a total of approximately \$3.5 billion in assistance to Colombo Plan nations has been provided. In addition to U.S. aid, assistance has been provided by Australia, Canada,

the United Kingdom, New Zealand, Japan, and the International Bank for Reconstruction and Development, the latter participating as an observer.

## **What are the main forms of assistance?**

The main forms of assistance are: grants and loans for national development projects; commodities, including foodgrains, fertilizers, and consumer goods; specialized equipment, including machinery, farm equipment, transport vehicles, and laboratory equipment; services of experts and technicians; and training in advanced technology for the students of the countries of South and Southeast Asia.

## **What are the fields in which such assistance has been provided?**

All fields of socioeconomic development are covered under the Colombo Plan assistance programs. Some of the fields in which assistance has been extended include: scientific development of agriculture, reclamation of waste land and land management, irrigation and power projects, pest control and prevention and treatment of plant diseases, animal husbandry services, fishery development, agricultural research, basic industries

like iron and steel and fertilizers, consumer industries, small-scale and village industries, industrial research, railway rehabilitation and expansion, development of ports and harbors, national highways and roads, protection against diseases and environmental sanitation, control of malaria and tuberculosis, nutrition, community development programs, village development projects, and establishment of training institutions.

## **How does external assistance compare with the total national development expenditure?**

External assistance, though significant, meets only a part of the cost of development of a country. For example, India spent nearly \$4.2 billion in the public sector alone for the implementation of her first 5-year plan. External assistance utilized during the period amounted to \$462 million. The proportion varies in different countries of South and Southeast Asia and in some of them it may be substantially larger, but, generally speaking, external assistance is intended to be a supplement, the major effort being that of the national governments.

## **What is the effect of the Colombo Plan in South and Southeast Asia?**

The Colombo Plan has been an important stimulus to national developmental efforts. Consultation on a common problem has helped the participating members by providing assistance to the vital sectors of the economy, particularly in those fields where it is most needed. It helps national governments in the speedier implementation of their development programs.

## **What are the achievements of the Colombo Plan?**

The achievements of the plan are reflected in the development of the countries of South and Southeast Asia, the way in which some of the difficulties they have faced have been removed through Colombo Plan aid, and the speed with which national development programs are being implemented.

(a) Over the region as a whole, national income has continued to rise in excess of population growth. The fact that during the first 6 years of the operation of the Colombo Plan the population of the area rose by about 60 million would indicate the magnitude of this development.

- (b) Food production in the area is gradually rising.
- (c) Production of cash crops like jute, cotton, rubber, and tea has registered a substantial increase.
- (d) Countries of the area which have been traditionally agricultural are adding industries to build up their economies. Among the industries which have been promoted in the area are basic ones such as iron, steel, fertilizers, machine tools, and consumer industries such as textiles, paper, silk yarn, and jute.
- (e) Natural resources of the countries of the area are being exploited with the aid of modern science. Rivers are being dammed to provide water for the fields and power for industry; the production of coal, petroleum, and lignite is increasing, and new sources of fuel are being discovered.
- (f) Development of railways, roads, ports, and harbors is receiving considerable emphasis. The railway systems of most of the countries, damaged during World War II, have been rehabilitated and expanded. Harbors, airports, and bridges have been constructed and thousands of miles of roads added.
- (g) Public health is receiving more attention. Through organized programs launched by the

governments, greater protection is being given against diseases such as malaria, tuberculosis, cholera, and smallpox.

(h) Public welfare programs are being organized in many countries of the area. Voluntary effort, supplemented by state assistance, is not only building new wealth for the community but generating a spirit of self-help among the people.

(i) A new technological outlook is being developed. Modern science is improving agricultural practices and increasing output; natural resources are being exploited with the aid of modern machinery and technological skill; science is helping to fight diseases, control epidemics, and spread education.

(j) Students of the countries of the area are acquiring knowledge of advanced technology in numerous institutions that have been set up in the area and also in Colombo Plan countries.

## **Why is the United States a member of the Colombo Plan?**

The United States believes that only through international cooperation can the free world remain strong and independent. It is our firm conviction that mutual efforts, particularly in the area of economic development, are of the

utmost importance in attaining this goal. The Colombo Plan provides the framework for this mutuality of effort. By participation in the plan the United States contributes to international progress and world peace.

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